सेन्ट्रल फाईनान्स लिमिटेड
CENTRAL FINANCE LIMITED

Serving Your Financial Needs

Head Office: Kupondole, Lalitpur, **Tel:** 01-5970005, **Email:** info@centralfinance.com.np, **Website:** www.centralfinance.com.np

Unaudited Financial Report (Quarterly)

As at 2nd quarter (2082/09/30) of the Fiscal Year 2082/83

Condensed statement of financial position

As on quarter ended Poush 2082

ASSETS	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	511,482,464	607,092,272
Due from Nepal Rastra Bank	2,600,927,362	366,042,698
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loans and advances to BFIs	46,398,657	164,381,148
Loans and advances to customers	4,537,035,485	4,441,290,310
Investment securities	1,467,538,489	2,697,800,313
Current tax assets	68,526,730	70,474,365
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	83,232,619	83,232,619
Property Plant and Equipment	167,813,482	172,516,660
Goodwill and Intangible assets	2,336,645	2,336,645
Deferred tax assets	-	-
Other assets	46,819,078	35,953,677
TOTAL ASSETS	**9,561,730,988**	**8,800,850,502**
LIABILITIES	**This Quarter Ending**	**Immediate Previous Year Ending**
Due to Bank and Financial Institutions	424,775,560	72,337,047
Due to Nepal Rastra Bank	-	-
Derivative financial instruments	-	-
Deposits from customers	7,912,837,297	7,524,380,237
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	39,824,987	45,396,487
Other liabilities	106,045,065	106,179,797
Debt securities issued	-	-
Subordinated Liabilities	-	-
TOTAL LIABILITIES	**8,483,312,933**	**7,748,623,569**
EQUITY	**This Quarter Ending**	**Immediate Previous Year Ending**
Share Capital	948,975,469	948,975,469
Share premium	442,646	442,646
Retained Earnings	(276,047,510)	(305,508,619)
Reserves	406,147,560	408,417,548
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	**1,078,418,065**	**1,052,226,933**
NON-CONTROLLING INTEREST		
TOTAL EQUITY	**1,078,418,065**	**1,052,226,933**
TOTAL LIABILITIES & EQUITY	**9,561,730,988**	**8,800,850,502**

Condensed statement of profit or loss

For the quarter ended Poush 2082

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	170,791,645	343,246,753	177,501,273	377,297,232
Interest expenses	105,987,681	240,740,955	126,276,254	271,140,301
Net interest income	**64,803,967**	**102,505,185**	**51,225,559**	**106,157,931**
Fee and commission income	6,233,185	12,166,952	5,302,616	11,181,374
Fee and commission expense	-	-	-	-
Net fee and commission income	**6,233,185**	**12,166,952**	**5,302,616**	**11,181,374**
Net interest, fee and commission income	**71,037,052**	**114,671,737**	**56,528,195**	**117,339,305**
Net trading income	4,032,135	4,032,135	-	19,478,577
Other operating income	-	32,242,702	(1,313,630)	17,242,972
Total operating income	**75,339,238**	**151,316,575**	**55,214,564**	**154,460,455**
Impairment charge/ (reversal) for loans and other losses	253,859	(1,127,647)	86,312,451	67,309,690
Net operating income	**74,455,339**	**152,944,322**	**(34,497,917)**	**87,150,764**
Operating expense	-			
Personnel expenses	27,459,579	62,160,659	14,333,659	47,947,253
Other operating expenses	12,836,665	26,268,274	12,272,478	25,312,478
Depreciation & Amortization	3,737,969	7,350,803	4,640,739	9,306,950
Operating Profit	**29,638,195**	**55,987,577**	**(65,745,757)**	**4,586,045**
Non operating income	-	-	-	-
Non operating expense	-	-	-	-
Profit before income tax	**29,638,195**	**55,987,577**	**(65,745,757)**	**4,586,045**
Income tax expense	-		-	-
Current Tax expenses	8,891,459	16,796,273	(19,723,727)	1,376,814
Deferred Tax Expenses/(Income)	-	-	-	-
Profit for the period	**20,746,737**	**39,191,304**	**(46,022,030)**	**3,460,231**

Condensed statement of comprehensive income

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Profit for the year	20,746,737	39,191,304	(46,022,030)	3,460,231
Other comprehensive income, net of income tax	-			
a) Items that will not be reclassified to profit or loss	-			
Gains/Losses) from investments in equity instruments measured at fair value	2,444,763.20	(18,671,625)	61,391,460	101,117,671
Gains/Losses) on revaluation	-	-		
Actuarial gain/(loss) on defined benefit plans	-			
Income tax relating to above items	(733,429.00)	5,571,603	(18,417,438)	(30,335,301)
Net other comprehensive income that will not be reclassified to profit or loss	1,711,334	(13,100,182)	43,114,022	70,782,370
Other comprehensive income for the year, net of income tax	1,711,334	(13,100,182)	43,114,022	70,782,370
Total comprehensive income for the period	22,458,071	26,191,122	(2,908,008)	74,272,601
Basic earnings per share		8.26		0.74
Diluted earnings per share		8.26		0.74
Total comprehensive income attributable to:	22,458,071	26,191,122	(2,908,008)	74,272,601
Equity holders of the bank	22,458,071	26,191,122	(2,908,008)	74,272,601
Non-controlling interest	-			
Total comprehensive income for the period	22,458,071	26,191,122	(2,908,008)	74,272,601

Ratio as per NRB directive

Particulars	Current year		Previous year Corresponding	
	This quarter	Upto this quarter (YTD)	This quarter	Upto this quarter (YTD)
Capital fund to RWA		13.77%		17.45%
Tier 1 Capital to RWA		11.57%		16.93%
CET 1 Capital to RWA		11.57%		16.93%
Non-performing loan (NPL) to total loan		11.18%		11.34%
Total loan loss provision to Total NPL		73.64%		73.58%
Cost of Funds		5.36%		6.54%
Credit to Deposit Ratio		60.96%		60.41%
Base Rate		7.74%		8.34%
Interest Rate Spread		4.40%		4.50%

Statement of distributable profit or loss

Particulars	Poush End 2082	Poush End 2081
Net profit or (loss) as per statement of Profit or loss	39,191,304	3,460,231
Appropriations:		
a. General reserve	(7,838,261)	(650,046)
b. Foreign exchange fluctuation fund	-	
c. Capital redemption reserve	-	
d. Corporate social responsibility fund	(391,913)	(34,802)
e. Employees training fund	(1,096,037)	(1,016,450)
f. Other	1,334,068	273,693
Profit or (loss) before regulatory adjustment	**31,199,063**	**2,014,526**
Regulatory adjustment:		
a. Interest receivable (-)/previous accrued interest received (+)	(12,511,667)	(11,607,110)
b. Short loan loss provision in accounts (-)/reversal (+)	-	
c. Short provision for possible losses on investment (-)/reversal (+)	-	
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	11,011,675	(24,803,833)
e. Deferred tax assets recognised (-)/ reversal (+)	-	
f. Goodwill recognised (-)/ Impairment of Goodwill (+)	-	
g. Bargain purchase gain recognised (-)/reversal (+)	-	
h. Actuarial loss recognised (-)/ reversal (+)		
i. Other (+/-)	(186,062)	(772,804)
Net Profit for the Quarter Ended Poush available for distribution	**29,481,109**	**(30,569,620)**
Opening Retained Earning	**(305,508,619)**	**(116,668,042)**
Adjustment (+/-)		
Distribution	-	-
Bonus Share Issued	-	-
Cash Dividend Paid	-	-
Total Distributable profit or (loss) as on Quarter End date	**(276,047,510)**	**(155,237,663)**
Annualized Distributable Profit/Loss per share	-29.09%	-32.72%

Notes:

1. The above financial statements have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) and NRB Directives. Interest income on financial assets measured at amortized cost within the context of NFRS-9 ECL Guidelines has been recognized inaccordance with the Guidance Note on Interest Income Recognition, 2025.
2. As the loan loss provision required as per Expected Credit Loss Model is lower than the impairment charges required as per the norms of NRB, impairment charges as norms of NRB has been considered as impairment charges.
3. Figures presented above may vary with the audited figures as per the instruction or requirement of the banking regulator and/or statutory auditor.
4. Investment in securities have been marked to market using NFRS 13 and have been measured at fair value through other comprehensive income.
5. Regulatory adjustment on accrued interesst and possible losses on investment properties has been made.
6. Loans and advances are presented net of impairment charges and includes staff loans and advances.
7. Personnel expenses includes provision for staff bonus which has been calculated as per provision of Bonus Act.
8. A detailed interim financial report has been published in the financial institution's website https://www.centralfinance.com.np

Disclosure as prescribed by Securities Registration and Issue Regulation, 2073

(Related to Sub rule (1) of Rule 26, for the 2nd Quarter of F.Y.2082/83)

1. Financial Statements (as per unaudited figures of 2082/09/30)

i. Financial details as at the end of the 2nd quarter of F.Y. 2082/83 (2082/09/30) has been published along with the disclosure.

ii. Major Financial Indicator

Earning Per Share (Annualized)	8.26	Market Value Per Share	510
Price Earning Ratio	61.74	Net Worth Per Share	113.65
Total Assets/No. of Share	2007.68	Liquidity Ratio	48.51

2. Management Analysis

a) Details relating to change in the FI's reserve, income, and liquidity in the quarter (if any) and it's main reason.

FI's capital adequacy and liquidity position continues to remain strong.

b) Management's analytical details regarding future business plan.

FI seeks to achieve sustainable growth in business and profitability as per it's strategic management plan.

c) Analytical details of the Incidents that may have major impact on reserve, profit, or cash flow (if any) based on previous experience.

No specific incident occurred during the period that could have impact on reserve, profit, or cash flow.

3. Legal Proceedings

a) Case filed by or against the FI in this quarter.

Except in the regular course of business, there is no lawsuits filed against the FI in this quarter.

b) Case relating to disobedience of prevailing law or commission of criminal offence filed by or against the promoter or Director of the FI.

No such information has been received.

4. Analysis of Stock Performance of the FI

a) Management view on the transaction of the shares of the FI in the Share Market.

Transaction of Shares and share price are determined by open market at Nepal Stock Exchange Ltd.

b) Maximum, Minimum, and last share price, total transaction days and total transacted number of shares in the quarter (as per nepalstock.com)

Maximum share price (Rs.)	525.30	Minimum share price (Rs.)	455
Closing share price (Rs.)	510	Total no. of transactions	5430
No. of days of the transaction	55	Total traded no. of shares	9,12,053

5. Problem and Challenges

Internal

1) Difficulties in recovery of loans.
2) Recruiting and retaining skilled staff.

External

1) Intense competition from larger banks and financial institution.
2) Changing regulatory requirements.
3) Political instability and economic fluctuations.

Strategy to overcome the problems and challenges

1) Customer centric products, new business avenues, and digital banking drive growth.
2) Implement robust risk management system including loan collection and recovery process.
3) Streamline operations by adopting best practices and process improvements.
4) Growth opportunities and invest in training and development.

6. Corporate Governance

Clear separation of roles and responsibilities of Board of Directors and Management has ensured high standard of corporate Governance. Audit Committee has been functioning independently and actively. Central Finance is committed for transparency, high standard of professionalism and data integrity.

7. Declaration

I, CEO of the FI, am accountable individually on the factual accuracy of the information submitted as of the date in this report. I also declare that to the best of my knowledge, no material information for investors has been concealed.